

**Before the
Public Service Commission of South Carolina**

Docket No. 2022-4-G

**Annual Review of Purchased Gas Adjustment and
Gas Purchasing Policies of Piedmont Natural Gas Company, Inc.**

**Testimony & Exhibits of MaryBeth Tomlinson
On Behalf Of
Piedmont Natural Gas Company, Inc.**



June 2, 2022

1 **Q. Please state your name and business address.**

2 A. My name is MaryBeth Tomlinson. My business address is 4720 Piedmont Row
3 Drive, Charlotte, North Carolina 28210.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Duke Energy Corporation (“Duke”) and work on behalf of
6 Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”), a wholly
7 owned subsidiary of Duke, as the Manager of Gas Accounting.

8 **Q. Please briefly describe your education and experience.**

9 A. I received a B.A. degree in Accounting from Belmont Abbey College in
10 Belmont, North Carolina in 1985. From 1985 to 1987, I was employed by
11 Hobbs, Crossley and Blacka P.A. as a staff accountant. In 1987, I joined
12 ALLTEL Corporation as Manager of General Accounting. From 1995 to 1999,
13 I was employed by SeaLand Service Corporation as Manager of Vessel
14 Accounting, and from 1999 to 2005 I was employed by United States Ship
15 Management, LLC as Manager of General Accounting. In 2005, I joined HSBC
16 Mortgage Corp. as Manager of Accounting and then in 2007 I began my career
17 at Piedmont as the Manager of Special Projects. From February 2008 to July
18 2012, I was the Manager of Corporate Accounting. In August 2012, I became
19 the Manager of Plant Accounting and Accounts Payable. I accepted my current
20 position as the Manager of Gas Accounting in January 2015.

1 **Q. Please describe your responsibilities as Manager of Gas Accounting.**

2 A. My responsibilities include recording the cost of gas on Piedmont's books,
3 maintaining a proper match of revenues and cost of gas in Piedmont's income
4 statements, recording Piedmont's margin in accordance with regulatory
5 requirements in each of the three state jurisdictions in which Piedmont operates,
6 verifying volumes and prices on all invoices relating to the purchase and
7 transportation of natural gas, and recording gas inventory accounts and deferred
8 accounts.

9 **Q. Have you previously testified before the Public Service Commission of**
10 **South Carolina ("Commission") or any other regulatory authority?**

11 A. Yes. I have previously testified before this Commission and before the North
12 Carolina Utilities Commission on several occasions on the matter of the
13 accounting of Piedmont's gas costs.

14 **Q. What is the purpose of your testimony in this proceeding?**

15 A. The purpose of my testimony in this proceeding is to report Piedmont's end-of-
16 period balances and accounting for its deferred gas costs accounts in order to
17 permit the Commission to determine that Piedmont's true-up procedures for the
18 Review Period have resulted in a properly stated cost of gas and that Piedmont's
19 gas costs are properly recorded in compliance with Piedmont's Gas Cost
20 Recovery Mechanism and Hedging Plan.

21 **Q. What is the Review Period for this proceeding?**

22 A. The Review Period for this proceeding is April 1, 2021, through March 31, 2022.

1 **Q. Please describe Piedmont’s accounting for its cost of gas for the Review**
2 **Period in this proceeding.**

3 A. The Commission has previously ordered the Company to maintain an account
4 reflecting its gas costs each month, the amount of gas costs recovered each
5 month, and amounts deferred each month. A summary of the Review Period
6 activity in that account is attached hereto as **Exhibit_(MBT-1)**.

7 **Q. Does the Company also maintain a hedging deferred account?**

8 A. Yes. Effective April 1, 2002, Piedmont implemented an experimental natural
9 gas hedging program (“Hedging Plan”) pursuant to Commission Order No.
10 2002-223. Pursuant to the Hedging Plan, Piedmont maintains a Hedging
11 Deferred Account in which it records the results of its hedging activities
12 undertaken in accordance with its Hedging Plan. A summary of the Review
13 Period activity in Piedmont’s Hedging Deferred Account is attached hereto as
14 **Exhibit_(MBT-2)**.

15 **Q. Have the Company’s Review Period gas costs been properly accounted for?**

16 A. Yes.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

Piedmont Natural Gas Company, Inc.
Docket No. 2022-4-G

Index – MBT Exhibits

<u>Exhibit Number</u>	<u>Description</u>
MBT-1	Summary of Review Period Activity
MBT-2	Summary of Review Period Activity in Piedmont's Hedging Deferred Account

Exhibit____(MBT-1)

Piedmont Natural Gas Co., Inc. - South Carolina
Gas Cost Deferred Account Activity
Annual Prudence Review - Docket No. 2022-4-G
12 Months Ended March 31, 2022

Debits = Due from Customers (Credits) = Due to Customers

Exhibit__ (MBT-)

Reporting Month ==>	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	
Gas Flow Month ==>	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Totals
Beginning Balance	(2,389,099.67)	(1,666,430.01)	(524,139.66)	657,002.32	1,828,420.71	2,412,530.87	4,106,085.27	4,798,204.69	4,327,735.20	2,168,882.81	(601,007.12)	(3,651,853.19)	
Billed vs. Filed Commodity True - Up	244,037.39	259,533.08	344,640.75	(80,396.73)	(377,964.67)	572,740.30	239,079.50	1,468,164.76	(575,729.40)	509,063.30	1,197,819.84	124,902.18	3,925,890.30
Demand True-Up	657,925.30	1,131,519.44	1,328,743.38	1,461,751.88	1,190,763.24	1,342,434.22	1,209,089.65	(971,033.31)	(733,126.53)	(2,992,963.96)	(1,588,264.87)	(291,921.41)	1,744,917.03
Negotiated Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Release Credits	(202,448.32)	(220,833.98)	(218,759.41)	(222,324.28)	(221,433.14)	(218,948.48)	(204,542.53)	(697,248.58)	(702,965.43)	(698,646.75)	(653,057.55)	(700,910.68)	(4,962,119.13)
SC Portion of Off System Sales Revenue	(59,395.01)	(396,747.88)	(423,049.38)	(532,238.88)	(684,490.17)	(599,175.28)	(166,174.85)	(508,030.71)	(1,331,426.43)	(4,909,321.83)	(2,279,482.46)	(2,456,382.65)	(14,345,915.53)
SC Portion of Off System Sales Costs	49,694.43	362,710.20	387,337.31	492,255.66	647,145.67	563,163.40	136,555.70	438,017.52	1,149,084.62	2,459,572.58	1,763,135.57	2,163,075.17	10,611,747.83
WNA	(423.27)	23.54	222.60	4.69	3.61	13.70	13.91	(14,435.35)	49,287.22	2,801,025.05	(1,262,844.02)	1,446,429.43	3,019,321.11
Supplier Refunds	(0.49)	-	(8.30)	(553.72)	-	(7,380.65)	(56,162.15)	(119,739.18)	(24,857.04)	(4,030.58)	-	(1,166,446.41)	(1,379,178.52)
SC - Uncollectibles	22,642.07	30,580.91	35,115.34	47,079.57	26,626.20	33,692.90	6,906.56	(2,037.04)	4,320.61	8,244.56	10,244.77	14,333.85	237,750.30
Monthly Hedging Transfer	14,486.66	(22,425.00)	(273,218.12)	394.06	-	1,182.18	(480,912.26)	(72,029.90)	394.06	55,562.27	(234,201.79)	(721,844.51)	(1,732,612.35)
Other Adjustments	-	-		3,531.77	(1.20)	51.97	-	-	-	-	-	-	3,582.54
Ending Balance Before Interest	(1,662,580.91)	(522,069.70)	656,884.51	1,826,506.34	2,409,070.25	4,100,305.13	4,789,938.80	4,319,832.90	2,162,716.88	(602,612.55)	(3,647,657.63)	(5,240,618.22)	
Interest	(3,849.10)	(2,069.96)	117.81	1,914.37	3,460.62	5,780.14	8,265.89	7,902.30	6,165.93	1,605.43	(4,195.56)	(11,263.80)	13,834.07
Ending Balance	(1,666,430.01)	(524,139.66)	657,002.32	1,828,420.71	2,412,530.87	4,106,085.27	4,798,204.69	4,327,735.20	2,168,882.81	(601,007.12)	(3,651,853.19)	(5,251,882.02)	
Monthly Interest Rate	2.280%	2.270%	2.130%	1.850%	1.960%	2.130%	2.230%	2.080%	2.280%	2.460%	2.370%	3.040%	

(1) Other Adjustment for August Reporting is related to the reclass of the Mississippi Property Tax Payment
(2) Other Adjustment for September Reporting is related to an interest adjustment for SC Uncollectibles
(3) Other Adjustment for October Reporting is related to the Spire CNG station purchase post closing adjustment

Exhibit____(MBT-2)

Piedmont Natural Gas Company, Inc. - South Carolina
Hedging Account Activity
Annual Prudence Review - Docket No. 2022-4-G
12 Months Ended March 31, 2022
Debits = Due from Customers (Credits) = Due to Customers

Exhibit __ (MBT-2)

		# of Contracts Executed / Exercised	Beginning Balance	Net Options Premium	Fees 1	Margin Requirement (P&L Cash Act)	Consultant Fees	Proceeds from Positions	Fees 2	Interest from Brokerage Account	Other Monthly Fee	Monthly Gain / Loss Transfer
April 2021		94	\$ -	72,300.00	1,116.00	-	788.12	(60,060.00)	342.54	-	-	14,486.66
May 2021		50	\$ -	22,440.00	341.00	-	-	(45,640.00)	434.00	-	-	(22,425.00)
June 2021		60	\$ -	17,820.00	279.00	-	394.06	(292,320.00)	608.82	-	-	(273,218.12)
July 2021		-	\$ -	-	-	-	394.06	-	-	-	-	394.06
August 2021		-	\$ -	-	-	-	-	-	-	-	-	-
September 2021		-	\$ -	-	-	-	1,182.18	-	-	-	-	1,182.18
October 2021		24	\$ -	-	-	-	394.06	(481,680.00)	373.68	-	-	(480,912.26)
November 2021		14	\$ -	-	-	-	394.06	(72,520.00)	96.04	-	-	(72,029.90)
December 2021		-	\$ -	-	-	-	394.06	-	-	-	-	394.06
January 2022		41	\$ -	54,930.00	238.21	-	394.06	-	-	-	-	55,562.27
February 2022		41	\$ -	-	-	-	394.06	(234,930.00)	334.15	-	-	(234,201.79)
March 2022		30	\$ -	-	-	-	394.06	(722,400.00)	161.43	-	-	(721,844.51)
Activity Totals				167,490.00	1,974.21	-	5,122.78	(1,909,550.00)	2,350.66	-	-	(1,732,612.35)